BCG x SISTA Barometer
Diversity in Start-ups

German results
BCG x SISTA Barometer: Diversity in Start-ups

The global management consulting firm Boston Consulting Group (BCG) and French non-profit organization SISTA partnered in building this tool to offer a robust and objective quantitative analysis of the challenges associated with gender diversity in entrepreneurship.

We consulted a database of more than 15,000 French, German, and British start-ups and more than 27,500 founders.

- Starting point: All start-ups *founded since 2008* identified by Crunchbase
- Gender qualification: combination of external data and application of an algorithm to filter first names
- Financing data: Combination with data collected from Dealroom
- Identification of main investors (venture capital funds) based on the amount of investments made in start-ups founded since 2008 in the three countries mentioned and on the funds these investors deployed in the past ten years
Key results

Of all German start-ups considered for the report, only 4% are all female and 10% mixed for 86% all male start-ups. With these figures, Germany is lagging behind France and the United Kingdom.

Little progress has been made in the past ten years. At the present rate, in the German entrepreneurial ecosystem parity will not be reached until 2139.

The gap between male and female entrepreneurs is also due to the fact that women mostly (70%) found start-ups in partnership with men, while the latter rarely go into partnership with women (11%).

Female start-ups in Germany are 18% less likely to receive funding than other start-ups, with 25% less funding from main investors. The situation gets tougher with every round of funding: German female start-ups are 40% less likely to get series-A (second financing round) funding and 90% less likely to get series-B (third financing round) funding.

On average, female start-ups receive 3.1 times less money than male start-ups in Germany (compared to 1.3 times less funding in the UK and 2.5 times less in France). This gap is even wider with regards to valuation: A female start-up is valued 16.4 times less than a male startup when raising a seed series in Germany.

Part of the explanation can be found in the current state of the German venture capital industry: Out of the top 3 funds only 1 has a female partner.
Only 4% of German start-up founders are female and 10% mixed for 86% male start-ups

Percentage of start-ups founded since 2008

- United Kingdom: 81% Male, 12% Female, 8% Mixed
- France: 85% Male, 10% Female, 5% Mixed
- Germany: 86% Male, 10% Female, 4% Mixed

Founding team: Female, Mixed, Male

Source: Crunchbase; scope: French, German, and British start-ups founded since 2008 (n= 15679 start-ups), BCG analysis
At the current rate, in the German entrepreneurial ecosystem gender parity will not be reached until 2139

Percentage of founded start-ups

Founding team: 
- Female
- Mixed
- Male

Note: Projections based on the global linear trend of past decade; Parity = same proportion of 100% female and 100% male start-ups
Source: Crunchbase; scope: German start-ups founded since 2008 (n= 3078 startups), BCG analysis
In Germany, only 11% of male founders go into partnership with women, while 70% of female founders partner with men.

Breakdown of male and female start-up founders based on the type of founding team:

- **Male founders**
  - Non-mixed team: 68%
  - Mixed team: 11%
  - Solo: 21%

- **Female founders**
  - Non-mixed team: 70%
  - Mixed team: 8%
  - Solo: 22%

Source: Crunchbase; scope: German start-ups founded since 2008 (n= 3078 start-ups / n' = 6104 founders); BCG analysis
German female start-ups have 18% less chances to receive funding, with 25% less funding from main investors

Percentage of founded / funded start-ups

**All investors**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Founded</th>
<th>Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>85.6%</td>
<td>84.9%</td>
</tr>
<tr>
<td>Mixed</td>
<td>10.4%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Female</td>
<td>4.0%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

**Main investors**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Founded</th>
<th>Funded</th>
</tr>
</thead>
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<tr>
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<td>12.8%</td>
</tr>
<tr>
<td>Female</td>
<td>4.0%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

1. All rounds of funding included; 2. List of 36 French, German, and British investors having deployed the highest funds in Europe 2014 and/or having made more than 60 investments in start-ups founded since 2008 (only the top 5 investors since they were founded are taken into account for each start-up) Source: Crunchbase; scope: German start-ups founded since 2008 (n= 3078 startups out of which 1736 funded and 436 funded by a top investor); BCG analysis
The gap persists at each financing round: Female start-ups are less likely to receive funding

**Percentage of effective start-ups vs. theoretical repartition by round of funding**

1. Theoretical repartition = Percentage of start-ups founded at least x years ago with x = average effective age at funding round (x = 4.5/5.5/6.5 for series A/B/C respectively)

Source: Dealroom; Scope: German startups (n = 2101 start-ups including 444/204/71 series-A/series-B/series-C funding) by any type of investor; 2. Series correspond to the different rounds of funding realized by start-ups; seed = first round; series-A = second round; BCG analysis - Note: If a start-up went through several rounds of funding, each of them is counted
In Germany, female start-ups receive 3.1 times less funding than male start-ups when they are established.

Average amount of funding received (M€)\(^1\)

<table>
<thead>
<tr>
<th>Country</th>
<th>Male</th>
<th>Mixed</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>7.0</td>
<td>5.2</td>
<td>5.5</td>
</tr>
<tr>
<td>France</td>
<td>6.6</td>
<td>5.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Germany</td>
<td>10.6</td>
<td>9.1</td>
<td>3.5</td>
</tr>
</tbody>
</table>

From main investors\(^2\), 8,6\(^3\)x

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1. Average total funding amount received for all rounds included (seed, series A/B/C, IPO, debt, PE, etc.) ; Crunchbase data in $ converted into € at the rate prevailing on July 15, 2019.
2. List of top 3 German investors having deployed the highest funds in Europe since 2014 and/or realized more than 60 investments in start-ups founded since 2008.
3. Excluding Outfittery

Source: Crunchbase; scope: French, German, and British start-ups founded since 2008 and having been funded (n= 8959) by any type of investor; BCG analysis.
A female start-up is valued 16.4 times less than a male start-up when raising a seed series in Germany

**Average declared valuation (M€)**

<table>
<thead>
<tr>
<th>Series</th>
<th>Male</th>
<th>Mixed</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed¹</td>
<td>78.1</td>
<td>21.7</td>
<td>4.8</td>
</tr>
</tbody>
</table>

1. Series corresponds to the different rounds of funding realized by start-ups; seed = first round; series-A = second round; etc.

Source: Dealroom; scope: German start-ups founded since 2008 (n= 402 seed valuations) by any type of investor (VC, PE, accelerator, platform, etc.;), BCG analysis - note: if a start-up went through several rounds of funding, each of them is counted.
Out of the three leading German investors only one has a female partner.

Percentage of partners

Average of Top 3 German investors

1. Partners, Managing Partners, Managing Directors, General Partners, etc.
Source: Websites of VC funds; BCG analysis